

News Release



Controller of the State of California - Kathleen Connell

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For Immediate Release

STATE CONTROLLER KATHLEEN CONNELL'S REVIEW FINDS SACRAMENTO CITY UNIFIED OWES STATE \$7 MILLION

Sacramento, September 28, 2001 – State Controller Kathleen Connell today released the results of a review of categorical funding paid to Sacramento City Unified School District (SCUSD) by the California Department of Education (CDE). The report found that SCUSD received \$7,434,736 in funding that was unallowable.

Categorical funding refers to Federal funds disbursed through CDE to support “educationally deprived children” under the Improving America’s Schools Act of 1994 Title 1 Program. CDE initially investigated SCUSD’s allocation process for these funds and found several violations of Federal requirements. CDE then asked the State Controller’s Office to conduct a review to validate the original findings and to determine related unallowable costs.

The State Controller’s report confirms nearly all of CDE’s findings. The period that was reviewed covered fiscal years ended June 30, 1995 through June 30, 1999.

The Controller’s report documents several instances in which SCUSD failed to comply with program requirements. In some cases, funds were not expended for their intended purpose or in accordance with statutory requirements.

“These findings suggest the procedures that are in place within Sacramento City Unified School District do not assure that Federal funds are reaching the children these valuable programs were created to serve,” said Connell.

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Copies of the Audit Report are available from the State Controller’s Office at (916) 445-2636